

LEGION'S LOBBYIST ACCUSED AS UNFAIR

Head of National Chamber of
Commerce Responds to
Taylor's Attack.

BONUS POLL DEFENDED

Declares His Organization
Stands Opposed to Gratuity
by 72 Per Cent. Majority.

Special Dispatch to THE NEW YORK HERALD.
New York Herald Bureau.

Washington, D. C., April 26.—Joseph H. DeFrees, president of the Chamber of Commerce of the United States, described to-day as "inaccurate and untruthful" a recent statement made by John Thomas Taylor, American Legion Legislative agent, attacking the chamber's stand against a cash bonus, in a letter which he addressed to Hansford MacNider, the Legion commander, and each United States Senator.

Mr. DeFrees called attention to the fact that his organization stands opposed to the cash bonus and certificate proposals by a 72 per cent. majority of votes cast through a referendum, while adequate measures for the relief and rehabilitation of disabled soldiers were favored by all.

"Our attitude upon this particular question," he said, "caused a vicious and unfair attack to be made recently by a subordinate official of the American Legion upon the integrity of the membership of the national chamber. The attack, which was made in a communication addressed to the members of the Senate, was filled with inaccuracies and misstatements with respect to this organization."

Declared Wholly False.

"Mr. Taylor said," went on Mr. DeFrees, "that 'twenty-five per cent. of the votes opposed to cash or certificate (bonus) payments came from New York, Chicago, and Washington.' This is wholly false. Of approximately 1,700 votes cast in our referendum 38 votes were cast by organizations representing New York city, 13 organizations representing Chicago and 15 votes by organizations representing the District of Columbia. Of this total of 66 sixteen per cent. were cast in favor of the bonus."

"The remaining votes sent from these places were from trade associations with headquarters in those cities and with a membership scattered all over the country. It would be preposterous for us to say that the only votes of the American Legion in favor of the bonus came from Indianapolis because its headquarters are in that city."

"Because the large majority of our membership on three different occasions in a three year period has expressed opposition to the cash bonus and certificate plan, it is essential that the business men of the country must be assured as selfish profiteers and hypocrites by the American Legion representatives," asked Mr. DeFrees. "Is not the present leadership of the American Legion strong enough to insist that statements made by its subordinate officials and upon their selfish respecting American organizations shall be tempered with justice, if not dignity?"

Answering Mr. Taylor's charge that the National Chamber "did not count the votes cast upon the fivefold bill passed by the lower house and now before the Senate, but counted votes only on a purely hypothetical proposition of the chamber's own devising," Mr. DeFrees said:

Period of Referendum.

"The adjusted compensation bill passed by the lower house was not introduced in the House until March 16. Our referendum was issued January 7 and closed February 21. Under no possibility could votes on that bill have been filed with us, and none were. Our vote at two annual meetings and through our referendum was taken upon principles involved in proposed legislation for the benefit of the injured soldiers and not upon particular bills introduced from time to time and in great number."

Hansford MacNider, Commander of the American Legion, testified to the fairness of the referendum in a letter of January 11, according to Mr. DeFrees, when he said: "There is no doubt in our minds that in the Chamber's referendum every man of the referendum made up his mind of the question completely, but I cannot refrain from calling attention to some seeming discrepancies, but not more probably that would creep into any such document."

"The results of the referendum vote speak for themselves," Mr. DeFrees said. "The vote commits us to advocacy of two provisions of the adjusted compensation bill, which the American Legion advocated—land settlement and vocational training for veterans. Do you support Mr. Taylor's statement that a referendum giving such results was conceived in hypocrisy, conducted in insincerity, not conducted to advise Congress, but to mislead it?" Mr. DeFrees asked Mr. MacNider.

"When our membership advocated for injured veterans constructive measures approved by your own organization do you testify to the fairness of Mr. Taylor's statement that our referendum 'is a deceit practiced upon the membership of the Chamber of Commerce of the United States of America?'"

MEXICO BUYS MANY AUTOS.

MEXICO CITY, April 26.—Seven countries consumed 59 per cent. of the automobile exports of the United States last year, Mexico being the foremost purchaser, according to American Chamber of Commerce statistics. Mexico bought 5,332 cars during 1921; Canada, 6,384; Australia, 2,740; Japan, 2,042; Hawaii, 1,984 and Cuba, 1,975.

BONUS ACTION HALTS TO GET GUIDANCE FROM LEGION

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House Ways and Means Committee are trying to solve the perplexity. The failure of the Fordney committee to evolve a scheme that would receive the approval of the President and Secretary Mellon is established by the overwhelming disapproval of it by the Senate.

One of the projects resulting from the contact of the best minds in the bonus groups to-day was to create a Federal agency to lend Government money on the insurance certificates instead of compelling the banks to "freeze" their credits by investing in the "non-liquid" securities, as Treasury officials say the loan certificates would prove to be.

Another bizarre suggestion coming out of the continuing conferences of bonus Senators was that the certificates be made "freely negotiable." In other words, the authors of this scheme would make the certificates negotiable at pawn shops, among loan sharks and usurers. The project was defended by the Democratic sponsors of it as "the honest way of financing the bonus" on the theory that "the Government has no right to dictate to the owners of the certificates where and how they shall raise the money to meet their immediate purposes."

Business Presence Lacking.

The Democratic suggestion is interesting because it represents the wide divergence of opinion among bonus Senators who desire to win the political support of ex-service men. Another feature of it is that it discloses a deplorable absence of business presence on the part of the members of the most important political body in the world.

It would be a waste of time to venture a prediction at the present moment as to the line of Senatorial reasoning which will finally triumph in the great drama of staging the most stupendous raid on Government finances ever projected by Congress. The American Legion will decide the point.

Meantime several Senators in the opposing and neutral groups are determined that the views of the President, the Treasury Department and unorganized citizens of the country who appear to be unalterably opposed to the bonus shall be heard.

Senator Frelinghuysen (Rep., N. J.) said to-day he would insist on the determination of the views of the President, consulting the views of the Treasury officials and respecting the attitude of the country generally toward the bonus.

Bonus Raiders Assailed.

The bonus raiders were vigorously attacked by Senator Dial (Dem., S. C.) during the debate on a bill providing pensions for Spanish-American war veterans this afternoon. The South Carolina Senator, who is rapidly coming to the front as a legislator of conspicuous ability, rebuked the tendency of Congress to countenance the use of the people's money with reckless disregard for their interests.

He predicted that the matter would be taken to the courts and said that if the judicial tribunal decided that there was no way to check the squandering of the people's money by Congress there would be an uprising and a popular demand for a constitutional amendment limiting the powers of Congress in this respect.

Senator Dial went on to say it was not surprising the soldiers in the late war are demanding a bonus in view of the fact that there seems to be no limit on the amount Congress is willing to pay out in pensions, whether the applicants are needy or not. "Since I have been here," he added, "the civil war pension claims have increased by \$65,000,000 per annum. As the veterans of that war decrease in numbers due to deaths the claims increase. Under such circumstances how do you expect to decrease the tax rate and bring the country back to normalcy?"

"The whole atmosphere here seems to be to try and get something for nothing from the Government. In yielding to that demand we seem to forget our debt to the people at large. Unless somebody here gives consideration to business and the business men's point of view in these matters the country will be ruined and we will have nobody to pay the heavy taxes."

"Owing to the heavy burdens now imposed on the business men of the country many of them are at the point of despair. I know of many who are anxious to close down their business. We are doing everything within our power to drive them to the wall, and I do not blame them for buying tax exempt securities and resorting to other tricks to evade the heavy taxation laws."

Opposed on General Principles.

Senator Dial said he opposed pensions and bonuses on general principles and added: "What are soldiers for if not to fight? Why are they in the army if not to be ready to take up arms at any time at any risk to pro-

tect the United States? This plan of paying out vast sums to soldiers whether they need it or not is vicious and cannot be defended. Not only that, but it works an injustice to the beneficiaries themselves in that it destroys all initiative and causes them to lose their ambition and to become wards of the Government."

"I am at a loss to understand why Congress continues to pile up our public debt by billions. I should think you would give some little consideration to the taxpayers. It seems to me the time has come when we should represent the whole people and not a small class which is trying to gouge the country."

BONUS UNPatriotic, REPUBLICANS TOLD

Bad From Every Point, Says
James R. Sheffield.

"Un-American, unpatriotic and un-sound" were the adjectives used by James R. Sheffield, president of the Union League Club, in describing the bonus bill now pending in Congress in a speech made yesterday before the Republican Neighborhood Association at a meeting held at the home of R. Fulton Cutting, 24 East Sixty-seventh street. Mr. Sheffield's address was on "Republican Issues."

"The bonus bill is bad from every point of view," said Mr. Sheffield. "It is bad economically, bad for patriotism, and it reaches only a few of the men and women who were called upon to make sacrifices during the war."

One woman wanted to know how she might punish Senator Calder for his attitude on the bonus bill. She said she wouldn't vote for Senator Calder in the coming election and she didn't want to vote for a Democrat. Mr. Sheffield pointed out, in reply, that such a question was one of "personal politics" which he did not think he should be called upon to answer. It was a long while before the time for the Republican convention, he said, and suggested that many things might happen before that time.

In commenting on the Republican issue, Mr. Sheffield stated that the Republican party and President Harding had carried out, or were in the process of carrying out, the pledges made during the campaign. Some of these pledges, he said, were to bring about a formal peace with Germany, to reduce armaments and to reduce national expense, all of which had been consummated.

It was the duty of the women as citizens, he said, to support Gov. Miller, who had reduced the expenses of the State, who had done away with unnecessary commissions, who had guaranteed the citizens of the State a share in the water rights, who had given at least one solution for the traction tangle and who had "been afraid to take by the throat and shake the demagogic Mayor of the city."

Some of the faults of the present Congress, particularly that relating to the bonus, Mr. Sheffield laid to the fact that in the last national election and the consequent Republican landslide a great many men had gotten into Congress who although elected on a Republican ticket acknowledged no allegiance to that party and were bent on reelection unimpaired of the real interests of the country.

JERSEY TAX TOTAL GREATER.

TRENTON, N. J., April 26.—Public utilities of New Jersey, 251 in number, will pay franchise taxes aggregating \$5,024,555.47 this year, for \$329,459.31 more than was levied against them in 1921. The eighteen street railway companies and the seventy-three gas and electric light companies operating in the State will pay \$4,028,654.33 of the tax.

CHARGES BIG FRAUD IN BOGUS U. S. BONDS

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any one for him, to see whether there was any truth in the allegation?"

Mr. Johnson: "I will say that I am satisfied there is truth in it, because I remember at one time it was shown conclusively that a negro taxicab driver in Washington was discovered down in front of the New Willard with thirty-one \$1,000 duplicate bonds, and he was discharged from custody in four days. I will say that I submitted seven pages of duplicate bonds."

Mr. Wingo: "What did Mr. Mellon say?"

Mr. Johnson: "I have never discussed it with him. The first notice was given to the Administration when Mr. Wilson was in power, and Mr. McCarter was compelled to leave the service, because he was bringing this to the attention of the Administration with which he was affiliated."

"I have no information as to that," he replied. "That has not been a part of my duties. I will say that my investigation, which was of an independent character, and which not only produced some of the facts which no one denied came to another branch of the Government, and the exact part in detail which individuals have had in this, I am not able to tell."

Protection of Credit.

Mr. Wingo declared he took it that no member of Congress "would be so reckless of the public welfare as to stifle the facts with reference to any matter that involves the public credit or instruments of the Government in the hands of citizens and banks and trust companies throughout the country."

"While the present Secretary of the Treasury belongs to a different political party from that to which I belong," said Mr. Wingo, "I do not believe he is going to tell the country a falsehood, and when he said a few days ago that there was nothing in the statements that were sent broadcast, and that they could have nothing to do with the credit of the United States and bring uneasiness to investors and banks and holders of trust funds that might hold the bonds of the United States, I say that when Secretary Mellon said that these wild, reckless statements were false I believe that Secretary Mellon spoke with knowledge of the facts and that he would not deny it if it were true, but that the man certainly would take the American people into his confidence and say so if it were true."

"If it is true," he added, "and you are going to continue to bandy that thing in public press and in this record here, you owe it to your party to have an immediate investigation."

High Treasury officials declared the tangle and who had been charged by former Assistant Register McCarter were denied by former Secretary of the Treasury Houston at the time as baseless and in the opinion of the Treasury effectively disposed of. A taxicab driver was arrested at the time, they added, with Liberty bonds which were found to have been stolen, but not duplicated.

Watts Case Discussed.

Mr. Johnson also took occasion during the debate on the bonds question to lay before the House the case of W. O. Watts, special agent of the Department of Justice removed from office Monday by Mr. Daugherty "for disloyalty to the Department of Justice."

Mr. Johnson declared that Mr. Watts had served his country in three wars and that some time ago while employed in the Department of Justice, "he was offered a commission as Major in the Army if he would let up with certain prosecutions."

The Attorney General, Mr. Johnson said, had been ill advised in or-

dering dismissal of Watts. The text of the letter of removal was based on his admission that he had given information to Representative Johnson regarding cases before the department and Watts's reply to the Attorney General, issued to-day were put into the Congressional record.

His Letter to Daugherty.

Watts sent an "open letter" to Mr. Daugherty in which he said: "It is particularly gratifying to me to note that you did not feel warranted or have the moral courage to charge me with 'disloyalty' to the Government. This you cannot do. My loyalty to the Government is of lifelong standing. I have followed and defended the flag in the Spanish American war, the Philippine Islands Insurrection and the late war. My record of loyalty is well known and unimpeachable."

Declaring his conception of loyalty was protection of Government interests under all circumstances, Mr. Watts added:

"If you are at all informed on the departmental affairs of your high office you must be aware of the outstanding facts that I have devoted more than two years to loyal and faithful efforts to protect the interests of the Government when a combination of certain Government officials and other common crooks have been assaulting and raiding the public Treasury on a scale so gigantic as to be almost unbelievable. . . . 'You have seen fit in the prosecution of the war graft cases to deprive the Government of the services of men who have served their country in both peace and war and to surround yourself in this great work by men who sought and secured exemption from military service when these crimes were being committed. You are entitled to share with yourself your conceptions of loyalty and the people can judge whether or not the stigma you have attempted to place upon myself and my children is just.'"

Mellon Denies Charges.

Secretary Mellon in a letter to-night to Frank J. Coleman, editor of the Plate Printer, emphatically denied all charges that the country is flooded with millions of dollars worth of counterfeit currency, Federal Reserve notes, Government securities and stamps.

Mr. Mellon's letter was in response to one from Mr. Coleman submitting at the Secretary's request evidence upon which such charges were published in the Plate Printer, a publication of the union plate printer employees of the Bureau of Engraving and Printing.

The Treasury Secretary declared that the data in the national counterfeit detector submitted by Mr. Coleman was "entirely misleading" and consisted of the Secretary's request evidence upon which such charges were published in the Plate Printer, a publication of the union plate printer employees of the Bureau of Engraving and Printing.

The receipts of counterfeit currency by the secret service, he asserted, furnished the most accurate indication of the amount actually in circulation, and he quoted figures comparing the amount of counterfeit currency to the genuine issues outstanding for the last five years.

But of the counterfeits coming into the possession of the Treasury, Mr. Mellon explained, only a small amount represented money actually in circulation. During the fiscal year 1921, he stated, counterfeits to the amount of

\$196,993 were recovered against a genuine circulation of \$4,556,328,892, but of the former sum \$108,925 was captured before the issues were placed in circulation and \$73,546 was raised notes, leaving the amount of counterfeit notes recovered from circulation during the year only \$14,522.

No counterfeits of war savings stamps have been found since a counterfeit discovered in 1919, he continued, and the adoption of a system requiring them to be placed in the hands of post office officials before redemption, while the only counterfeit revenue stamps reported were "hoisted in bond" air stamps which "can cause no loss except to those who purchase 'bootleg' whisky." He added that there had been no counterfeit reports of postage stamps, Liberty bonds, Victory notes or interest coupons.

GRANT CENTENARY AT TOWN HALL TO-NIGHT

Joffre Among Guests at Memorial Exercises.

The centenary of the birth of Gen. Grant will be celebrated to-night in Town Hall under the direction of the Civic Forum. Henry W. Taft will preside. Veterans of Union and Confederate armies will occupy platform seats and give brief reminiscences.

Guests of honor will be Marshal Joffre, Dr. George Bolling Lee, grandson of Gen. Robert E. Lee, and Prince Michel Cantacuzene, the youngest great-grandson of Gen. Grant. Hamlin Garland, biographer of Gen. Grant, will deliver an address on "The Epic Career of Ulysses S. Grant." Mrs. Mary Isabel Garland will read "The Bivouac of the Dead" and "The Blue and the Gray." The Twenty-second Infantry Regimental Band will play.

PRESIDENT HARDING OFF FOR GRANT CENTENNIAL

Will Deliver Address on Site of Humble Tannery.

Special Dispatch to THE NEW YORK HERALD.

New York Herald Bureau.

Washington, D. C., April 26.—The President and Mrs. Harding started to-night for Ohio, accompanied by a group of guests, who will take part with them in the centennial celebration at the birthplace of Gen. U. S. Grant.

The party will go to Point Pleasant, on the Ohio River, where the President will deliver an address on the spot where Jesse Grant, father of the General, maintained his humble tannery.

In the party with the President and Mrs. Harding are Attorney-General Daugherty, Representative and Mrs. Nicholas Longworth, Representative and Mrs. Kearns and Secretary and Mrs. George Christian, all of Ohio; Mrs. Frederick Dent Grant, Brig.-Gen. C. E. Sawyer, the President's physician, and Mrs. Sawyer; Mrs. Henry C. Corbin, and Mrs. J. P. Frendberger; Col. Julius A. Penn and Jess Smith of Ohio.

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